

# **Exhibit I**

**Paul Hastings**

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April 2, 2009

27228.00036

Estate of Lehman Brothers Holdings Inc.  
Estate of Lehman Brothers Special Financing Inc.  
1271 Sixth Avenue, 43rd Floor  
New York, New York 10020-1300  
Attention: Mr. Locke R. McMurray

Re: **Certain Client Accounts Managed by  
Metropolitan West Asset Management, LLC**

Dear Mr. McMurray:

We serve as legal counsel to Metropolitan West Asset Management, LLC ("Met West"). We received your letter dated March 17, 2009, with respect to certain amounts owing to Lehman Brothers Special Financing Inc. ("LBSF") under various ISDA Master Agreements in connection with swap transactions (the "Transactions") that were terminated as a result of various defaults by LBSF and Lehman Brothers Holdings Inc.

Notwithstanding the views expressed in your letter about the inapplicability of set-offs, the application of the automatic stay provisions of the Bankruptcy Code and possible default interest, Met West believes that it has taken, and continues to take, all prudent actions to protect the interests of its clients in a manner consistent with its fiduciary duties to those clients. Neither Met West nor any of its clients has behaved unreasonably given the substantial uncertainty about the status of payments related to the Transactions and the status of payments related to similar transactions involving other counterparties and their investment managers.

While Met West does not have direct counterparty exposure to Lehman, it is, as a registered investment adviser, required to act in a fiduciary capacity on behalf of its clients. As you are well aware, Met West has expended considerable time, resources, and energy in attempting to gain the requisite assurances owed to its clients in connection with settling these monies with the Lehman estate. Yet, despite its best efforts, the estate has been either unwilling or unable to address the reasonable concerns of Met West and its clients.

In particular, your response did not address Met West's previously expressed concerns about the prospects for the return of any overpayments by its clients. Also as noted previously, overpayments could include amounts Met West causes its clients to pay to the estate of LBSF in excess of amounts ultimately approved or required by the bankruptcy

*Paul Hastings*

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court, or even in excess of any set-off as a result of the consolidation of various entities that would be applicable based on the proceedings of that court.

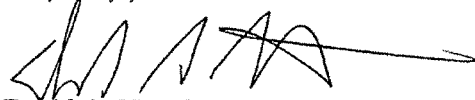
Notwithstanding that these concerns have not been adequately addressed, Met West has undertaken to arrange payment on behalf of its clients to the estate as a good faith gesture and with the expectation that the estate will attempt to constructively resolve its clients' concerns.

Met West will initiate wire transactions beginning Wednesday, April 15, 2009, using the wire instructions specified in your letter, in the amounts and on behalf of the accounts specified on the attached Schedule A. Please note that some payments may be delayed several days because of the settlement and wiring procedures of various different custodians involved in some of the transactions.

Met West continues to assert that any overpayment by these clients compared to amounts ultimately approved by the bankruptcy court for these Transactions or the settlement of comparable transactions should not be subject to other claims against the LBSF estate, and that the full amount of any overpayments, if any, should then be returned to Met West's clients. These payments are being sent with that understanding.

There remain significant uncertainties about the ultimate outcome of events affecting amounts owed under the Transactions and similar transactions. Met West remains open to discussing how best to resolve the remaining disputed amounts in a manner that protects the interests of its clients in the face of those uncertainties, pending resolution of unresolved issues by the bankruptcy court.

Very truly yours,



David A. Hearth

of PAUL, HASTINGS, JANOFSKY & WALKER LLP

cc: David R. Fertig, Esq. (WG&M)  
Metropolitan West Asset Management, LLC  
Richard A. Chesley, Esq. (PHJ&W)

Schedule A

**MetWest / West Gate - Summary All Accounts**  
**Lehman Termination - Net Payment Amounts including Bond Set-off Amounts (as of 3/24/09)**

Acct	Name	Valuation Date	Net Exposure Including Bond Holdings
<b>LEHMAN BROTHERS SPECIAL FINANCING (LBSF)</b>			
701	Metropolitan West Low Duration Bond Fund (MetWest 701)	9/16/2008	(21,374,944.52)
702	Metropolitan West Total Return Bond Fund (MetWest 702)	9/16/2008	(99,994,372.46)
703	Metropolitan West Alpha Trak 500 Fund (MetWest 703)	9/16/2008	(2,041,252.91)
704	Metropolitan West Intermediate Bond Fund (MetWest 704)	9/16/2008	(1,135,984.85)
705	Metropolitan West High Yield Bond Fund (MetWest 705)	9/16/2008	(953,765.70)
706	Metropolitan West Strategic Income Fund (MetWest 706)	9/16/2008	(26,712,271.15)
707	Metropolitan West Ultra Short Bond Fund (MetWest 707)	9/16/2008	(5,781,669.99)
1001 / 1002	West Gate (Combined)	9/16/2008	(445,733.73)
<b>Net Payments w/Bond Set-off Amounts</b>			<b>(158,439,995.31)</b>